Forum
on democracy & trade

State/Federal Consultation: Toward a New International Trade and Investment Policy That Protects Local Democracy

(summary)

1. Why do global trade and investment agreements threaten to undercut local democratic institutions?
   a. The post-1994 agreements deal not only with "at the border" issues, but also impose strict rules related to government regulation, taxation, purchasing, and economic development policies that are regarded as non-tariff barriers to trade.
   b. International tribunal decisions can be effectively enforced.
2. What should state officials do to educate the federal administration and Congress on the need to protect local democracy and the U.S. system of federalism?
3. What are the options for totally new TPA legislation in 2009 that mandates additional consultation with states and related procedural reforms?
4. What are the options for states to build their institutional capacity to influence U.S. trade policy?

Appendix: Trade and Federalism Issues in 11 States

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Toward a New Internationa l Trade and Investment Policy That Protects Local Democracy

1. *Why do global trade and investment agreements threaten to undercut local democratic institutions?*

   a. *Post-1994 agreements regulate government.* Prior to 1994, state and local governments had little reason to closely monitor the course of trade negotiations and the text of proposed agreements because they focused on tariffs, quotas, and other forms of discriminatio n against international commerce At the border,@almost always issues within the jurisdiction of the federal government. The post-1994 agreements deal not only with At the border@issues, but also impose strict rules related to government regulation, taxation, purchasing, and economic development policies that are regarded as non-tariff barriers to trade by the authors of the agreements. That is how it happens that a large number of measures within the traditional policy jurisdiction of U.S. state and local governments are now regulated as a matter of international law.

   b. *International tribunal decisions can be effectively enforced.* Post-1994 agreements may be enforced by federal government lawsuits to preempt local or state measures (though private suits are barred), or simply by the political pressure resulting from uncapped money damages assessed against the United States under investment agreements or by retaliatory trade sanctions, such as higher tariffs, authorized by the WTO.

2. *What should state officials do to educate the federal administration and Congress on the need to protect local democracy and the U.S. system of federalism?* It is essential that the U.S. Trade Representative and Congress grasp the political and moral importance of shaping international trade and investment

law in a way that better accommodates American constitutional federalism.

State officials may want to offer a positive agenda for reform related to such key trade and federalism issues as:

- Consultation and similar procedural reforms; and
- Substantive reform of international trade law in such areas of special concern to states as:
  - Procurement;
  - Subsidies;
  - Services; and
  - Investment.

Such reforms could be pursued by a variety of legislative vehicles available to Congress, including:

- Trade Promotion Authority (TPA) legislation; or
- A freestanding bill.

3. ***What are the options for totally new TPA legislation in 2009 that mandates additional consultation with states and related procedural reforms?*** The U.S. Trade Representative does not completely comprehend the role that states and localities play in crafting laws, regulations, and policies directly affected by international trade and investment agreements. USTR and Congress should consult more thoroughly with states prior in order to ensure that both the negotiators and states are aware of any state laws, regulations, or policies that may be impacted by an agreement.

As Congress considers writing a totally new and reformed legislative framework for trade promotion authority for a new President in 2009, many options are available for reforming the state/federal trade policy consultation process, including:

a. ***State/Local Oversight Group (SLOG):*** Establish a State and Local Government Oversight Group of elected officials representing state/local national associations.

- Members of SLOG would serve as accredited advisors to trade negotiation delegations.
- Consultation with SLOG would be required prior to entering into negotiations. This would include special consultations on procurement, services, subsidies, and investment issues.
- SLOG would be with trade/investment agreement details at least 90 days before entering into an agreement. SLOG would be required to present a report to Congress on the impact of the agreement on state and local governments and the U.S. federal system no later than 90 days after the President enters into an agreement.

b. Mock markups: In the course of "mock markup" of trade agreement implementing legislation in the Senate Finance Committee and the House Ways and Means Committee, provide for consultations and an opportunity to testify at hearings for states and localities. In this way state and local governments could formally present ideas for amendments to implementing legislation to Congress and the President.

d. Prior informed consent: With respect to international investment, subsidies, services, and procurement agreements, limit coverage over state and local measures to those which the legislature and governor have agreed should be covered.

3. What are the options for states to build their institutional capacity to influence U.S. trade policy?

a. Require Government Accountability Office (GAO) reports on trade and federalism: The Comptroller General could be mandated to evaluate and report to Congress on the impact of a proposed trade agreement or change in a trade commitment on the law and operations of state or local governments:

- Specifically in response to issues raised by governors, legislatures, attorneys general, local governments, territorial governments, national associations of state or local government, and intergovernmental policy advisory committees that represent state or local governments; and

- Including but not limited to provisions on the rights of foreign investors, government procurement, domestic regulation of goods and services, taxation and subsidies.

b. Reform the U.S. Trade Representatives Intergovernmental Advisory Committee (IGPAC) process. The President could be required (and not merely authorized as under current law):

- To establish one or more intergovernmental advisory committees representing sub-federal governmental interests trade policy development process;
- To include, without any process of partisan or ideological screening, as members of such committees the nominees of national associations representing sub-federal governmental interests; and
- To provide sources of information and administrative services necessary for such committees to carry out their duties, including collection of state and sub-state level collection of import and export data.

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Appendix: Trade and Federalism Issues in 11 States

1. **Montana & California: What is the impact of international investment agreements on state regulation of cyanide heap-leach gold and silver mines?** On November 2, 1998, Montana voters adopted a ballot measure banning cyanide heap-leach gold and silver mining in the state.

   Cyanide is highly toxic and even in small amounts can present health risks to people, wildlife, and fish. In addition, cyanide leach mining involves digging a large open pit and pulverizing tons of low grade ore for each ounce of gold extracted. Montana has experienced serious problems in reclaiming cyanide heap-leach mines and protecting ground water and mountain streams from contamination, especially when mining firms experience financial difficulties or declare bankruptcy as mining operations wind down.

   Prior to adoption of the Montana ballot measure, Canyon Resources Corporation, had planned to develop an almost 600 foot deep cyanide heap-leach mine near Lincoln, Montana and close to the banks of the Blackfoot River, a wild and scenic stream immortalized in Norman Maclean's book, *A River Runs Through It*, and a 1992 Robert Redford movie based on the book. In 2000, Canyon Resources challenged the 1998 measure in state and federal court arguing that the regulation amounted to a taking of its property rights for which it was entitled to millions of dollars in compensation from the state of Montana. The federal court deferred to the state courts, and Canyon lost in Montana district court and before the Montana Supreme Court. The U.S. Supreme Court declined to review the Montana Supreme Court decision. Canyon Resources then revived its federal case, losing in federal district court, then appealing to the U.S. Federal Court of Appeals for the Ninth Circuit, which considered the case in November 2007. Canyon Resources, also, supported a ballot initiative (I-147) in 2004 to repeal the 1998 ban, which Montana voters

rejected.

The question is whether Canyon Resources, if it had been a Canadian or other foreign corporation, would have been more successful in challenging Montana's ban on cyanide heap-leach gold mining under NAFTA's chapter 11 or some other international investment agreement. A related question is: if a Canadian or other foreign investor should seek to develop a cyanide heap-leach mine in Montana, would it bring an international investment claim, arguing that Montana's ban violates international property rights protections. The answers to these questions may be found in the outcome of *Glamis Gold v. United States*, a pending NAFTA chapter 11 case.

In July of 2003, Vancouver-based Glamis Gold Ltd. filed a NAFTA chapter 11 claim, seeking $50 million from the United States government. Glamis wants compensation from the United States for alleged financial losses resulting from California land use regulations that require extensive reclamation of open pit, cyanide heap-leach gold mining sites, especially where they are on or near Native American sacred sites and similar sites of special environmental or cultural value.

In this case the California State Mining and Geology Board acted in 2003 to require that the holes dug by open pit, cyanide heap-leach mines be backfilled and re-contoured after mining operations are completed. The California legislature also acted at this time to require reclamation of such open pits near sacred sites and other sites of special concern.

In the early 1990s, Glamis acquired dozens of mining claims in the Imperial Valley, a pristine desert east of San Diego, and proposed constructing a large, open pit mine that would use the "cyanide heap-leach" process to extract gold from low grade ore, in this case requiring approximately 422 tons of ore to be mined to produce an ounce of gold.

Glamis proposed to build the mine next to a protected wilderness in a woodland area that provides a habitat for desert wildlife. The proposed Glamis project, also, would have tapped 389 million gallons of water every year from the acquifer lying under the Imperial Valley desert.

The area where Glamis proposed digging its gold mine is sacred to the Quechen Indian Nation, and they use it in the practice of their religion and to venerate their ancestors. Ancient trails of sacred significance to the Quechen people stretch across the area, which abounds in archeological sites.

NAFTA's investment chapter allows a transnational corporation like Glamis to act on its own initiative to bring the United States before an international tribunal. And, it allows such a transnational investor to seek hundreds of millions of dollars in damages for the acts of state and local governments.

As in other NAFTA investment cases, Glamis is making claims for compensation that would not be accepted by U.S. domestic courts applying the U.S. Constitution. If Glamis wins, the United States will have to pay to allow California to regulate open pit cyanide heap-leach gold mines.

2. **Maine: How effective are current mechanisms for state/federal consultation related to unfair Chinese trade practices resulting in paper industry layoffs?** Maine paper mills have been particularly hard hit by unfair Chinese trade practices.

A typical story comes from Rumford Maine, a town of 6,472 people in Oxford County and the birthplace of Edmund Muskie, where the first paper mill began operation in 1882. On January 16, 2008, New Page Corporation, headquartered in Ohio, announced that they were shutting down paper machine #11 and laying off at least 60 workers at Rumford (as well as 440 paper workers in Wisconsin and 160 workers in Ohio who also worked in coated free sheet paper production units).

John Geenen, a Steel Workers official, said the layoffs follow an unfavorable decision, on November 20, 2007, by the U.S. International Trade Commission (ITC) in a case brought by the New Page Corporation and the Steel Workers, alleging that China, Indonesia, and South Korea are illegally dumping and subsidizing coated free sheet paper imports into the United States.

"Unfortunately, when the ITC ignores the continuing damage to U.S. industry by bad trade deals, our members and our communities suffer," Geenen said. "It is impossible for the coated free sheet paper industry to be bullish about the future, when our government encourages illegal dumping and foreign government subsidy support."

James Tyrone, Vice-President of Sales for New Page, testified before Congress in 2007 that Chinese state planning officials targeted its coated paper industry for rapid development in the 1990s, providing low-cost loans through government banks, direct grants, and tax breaks based on export performance. The Peoples Republic in 2003 also forgave a $600 million loan to Asia Pulp and Paper, China's largest paper company. As a result, China's market share in the U.S. coated free sheet paper market has increased 75 percent annually over the period 2003-2007.

The layoffs at the Rumford mill illustrate how Maine's industrial base is eroding. Manufacturing News Inc. (MNI) reports that Maine lost 2,000 industrial jobs in 2007. MNI says that Maine has 2,582 manufacturing firms employing 77,370 workers. Maine suffered significant job losses of 7 percent in its largest industrial sector, transportation equipment, in 2007, much of it due to large layoffs at Bath Iron Works. Employment in 2007 in Maine's second largest industrial sector, lumber and wood, fell by 2.5 percent.

The loss of manufacturing jobs in Maine is related to U.S. trade policy, especially with respect to China. The Economic Policy Institute estimates that from 2001 to 2006 Maine suffered a net loss of 8,800 jobs (amounting to a 1.4 percent share of total state employment in 2001) due to growing trade deficits with China, alone.

Maine workers could not compete because China directly subsidizes export industries, pegs its currency artificially low (an effective subsidy of 40 percent according to EPI), and denies basic labor rights to its industrial workers (resulting according to EPI in a 47 percent to 85 percent suppression of Chinese wage levels).

Maine officials and the Governor of Maine, in particular, share the concerns expressed manufacturers and industrial workers. The problem, many Mainers say, is that the current system for state/federal consultation on trade policy is inadequate.

3. **Maryland: What is the impact of the WTO agreement on Technical Barriers to Trade (TBT) on state regulation of lead in toys and consumer products?** The Peoples' Republic of China sent a fax transmission to the Maryland General Assembly on January 30, 2008, in which it objected to Maryland House Bill Number 8 (HB 8), a bill introduced in 2007 by Delegate Jim Hubbard. HB 8 would restrict the

sale of lead-adulterated consumer products and toys in order to protect the public health and the health of children in Maryland in particular. (Del. Hubbard introduced a similar bill, HB 62, in the 2008 session of the Maryland General Assembly. (That bill is not referenced in the PRC comments.) The Chinese allege that HB 8 would violate World Trade Organization (WTO) standards under the Agreement on Technical Barriers to Trade (TBT).

The WTO TBT agreement contains various rules governing "technical regulations." The term "technical regulation" is defined as a "document which lays down product characteristics or their related processes and production methods...." The Maryland bill would constitutes a "technical regulation" because it is related to product characteristics, i.e. whether products contain lead.

Under the TBT Agreement, WTO member nations, including the United States, are required to notify other members whenever a state or provincial government such as Maryland proposes to enact a "technical regulation" that is not based on international standards and that will have a "significant effect on trade of other [WTO] Members." The notification is required to be made "at an early appropriate stage, when amendments can still be introduced, and comments taken into account." In this case, the U.S. federal government notified the WTO of the Hubbard legislation pursuant to TBT notification procedures.

The WTO notification on Maryland HB 8 cites the "protection of human life and health" as the "objective and rationale" of HB 8. Unlike several other WTO agreements, the TBT does *not* have a "general exception" regarding the "protection of human life and health." A country might attempt to challenge such a legislative measure by claiming that the regulation will not be implemented in the "least trade restrictive" way possible; is discriminatory against foreign commerce; does not follow international standards; gives too much discretion to regulators; etc. These are the kinds of complaints about HB8 made by the Peoples Republic of China.

The People's Republic of China (PRC) alleges that Delegate Hubbard's bill is inconsistent with a provision of the TBT Agreement, which states that "[t]echnical regulations shall not be maintained if the circumstances or objectives giving rise to their adoption no longer exist or if the changed circumstances or objectives can be addressed in a less trade-restrictive manner."

The PRC concludes that the United States should take action "canceling the notified regulation," i.e. HB 8, or otherwise "provide relevant scientific basis for above-mentioned conditions of the technical regulation

4. **Utah: What is the impact of the WTO services agreement and international investment agreements on state regulation of gambling?** Even while the *Antigua v. United States* litigation related to the WTO services agreement (GATS) and regulation of internet gambling is winding down [1], it is still entirely possible that another international challenge to state and regulation of gambling could be brought, in a completely different forum. That is to say, state regulation of gambling, including Utah's outright ban on all forms of gambling, might be challenged under investment chapter rules found in NAFTA (Chapter 11), CAFTA (Chapter 10), or some other international investment agreement or treaty to which the United States is a party.

   Canada and Costa Rica are examples of countries that have significant offshore gaming interests. Gambling enterprises from Canada and Costa Rica [2] could file their own claims against the United States under NAFTA and CAFTA whether or not the case was sanctioned and supported by their respective national governments.

   There is another reason to be concerned about a possible investor claim on gambling. The GATS includes a 'public morals exception' (Article XIV), and the WTO tribunal cited this exception in its ruling—which mitigated the scope of the adverse decision in *Antigua v. United States*. But, this "public morals exception" is not a part of the investment chapters in either NAFTA or CAFTA.

   In a similar way, an international investor seeking to break into the U.S. market or expand its U.S. market share in casino gambling or some other niche of the heavily regulated "bricks and mortar" gambling industry might bring a claim before an

[1] The Caribbean nation of Antigua brought a partially successful claim under the WTO services agreement (GATS) against the U.S. for prohibiting internet gambling even while it allowed interstate off-track betting on horse races. Antigua's success resulted from a U.S. commitment under the GATS agreement to open it market to "recreational services," a term that the WTO understands to include gambling. As a result of this WTO decision, the U.S. has withdrawn its GATS commitment on gambling, and negotiations on compensation for nations harmed by that withdrawal are proceeding.

[2] Under WTO rules, only nation-states can bring claims. Not so with NAFTA and CAFTA investment chapters, which allow individual companies and investors to bring claims for money damages.

international investment tribunal alleging that its rights have been violated. Land-based gambling is a major industry all around the world. Many of these gambling multinationals have the resources to challenge U.S. gambling regulations. Because corporate subsidiaries also have "standing to sue," one of the big gambling multinationals from the United Kingdom or Australia could also take advantage of NAFTA and CAFTA rules by establishing a daughter company in Canada, Mexico, or a Central American nation.

5. **Washington & Kansas: Why has the Pentagon awarded a multi-billion dollar air tanker contract to Airbus, even as the EU and the US are embroiled in WTO litigation regarding alleged state government subsidies to Boeing?** The U.S. Department of Defense in February 2008 passed over Boeing and awarded a $35 billion contract to build refueling tanker aircraft for the Air Force to Europe's Airbus, working in consortium with Northrup Grumman.

   If Boeing had won the contract, an estimated 44,000 jobs would have been generated, including jobs in Washington State and Kansas, as well as thousands of jobs at Boeing subcontractors across the United States.

   The DOD awarded the contract to Airbus, even though the United States in a WTO suit has accused EU countries of providing Airbus with illegal subsidies that give it an unfair advantage in the global market place and the EU has counterclaimed that Washington State and Kansas have given WTO illegal subsidies to Boeing.

   In 2004, the United States announced that it would file a World Trade Organization complaint against the European Union, alleging that EU countries spend billions to unfairly subsidize Airbus. According to US TR, "Every major Airbus aircraft model was financed, in whole or in part, with EU government subsidies taking the form of "launch aid" – financing with no or low rates of interest, and repayment tied to sales of the aircraft. If the sales of a particular model are less than expected, Airbus does not have to repay the remainder of the financing. EU governments have forgiven Airbus debt; provided equity infusions; provided dedicated infrastructure support; and provided substantial amounts of research and development funds for civil aircraft projects."

In its retaliatory WTO case against the United States, the EU alleges that U.S. federal, state, and local governments provided Boeing with billions in WTO illegal subsidies. The EU alleges that the State of Washington has provided Boeing with $4 billion in tax breaks and infrastructure. Kansas is accused of having provided Boeing with $900,000 in tax breaks and subsidized bonds

Again, advocacy by states to ensure that the concerns of home-state industries are heard in Washington D.C. could be far more effective if 2009 trade promotion authority (TPA) legislation or some similar act of Congress mandated more extensive state-federal consultation on trade policy issues.

6. **Michigan & Massachusetts: How does the WTO agreement on government procurement impact human rights criteria for state purchasing decisions?** In 1986 and 1988 the State of Michigan adopted selective purchasing legislation that put companies doing business with the racist white government of South Africa at a disadvantage in bidding for state contracts. The adoption of selective purchasing and divestment policies by U.S. cities and states in the 1980s was a major factor leading to the collapse of minority rule in South Africa. Today, adoption of similar selective purchasing laws by Michigan would violate U.S. commitments under the World Trade Organization's Agreement on Government Procurement.

   An example of the threat of international purchasing agreements to state policies is presented in *Crosby v. National Foreign Trade Council*, better known as the Massachusetts Burma Law case.

   The government of Burma is one of the most repressive in the world, infamous for its violations of labor rights and human rights. Over recent years 5.5 million people have been conscripted into forced labor. Forced labor accounts for perhaps as much as seven percent of Burma's economy. The military government viciously persecutes the democratic opposition led by the Nobel Peace Laureate, Aung San Suu Kyi.

   The Commonwealth of Massachusetts responded to this situation by enacting a selective purchasing law that was identical to its old South Africa sanctions law, only with South Africa scratched out and Burma written in. The law restricted the authority of state agencies to purchase goods and services from companies doing business with Burma.

Shortly after Massachusetts acted, the European Union and Japan took steps to bring a WTO action against the Massachusetts Burma law. The Massachusetts law was a clear violation of the WTO agreement on government procurement.

Ultimately, the prosecution of a WTO case was suspended pending the outcome of a challenge to the Burma law brought in U.S. federal court by the National Foreign Trade Council (NFTC), an association of 600 multinational corporations. The NFTC suit was supported at the trial stage, on appeal, and in the Supreme Court by European Union amicus briefs, alleging that the Massachusetts law violated WTO obligations.

Ultimately in the *Crosby* case, the U.S. Supreme Court struck down the Massachusetts Burma law on relatively narrow grounds. The Court found that the Burma law was preempted by a subsequent and less far-reaching congressional act imposing sanctions on Burma. Nonethele ss, the tone of the opinion in Crosby was surprising.

The lesson of the *Crosby* case is that both the U.S. courts and the WTO may be used to attack state procurement laws that are based on social or moral criteria in addition to purely economic criteria like cost and quality.

U.S. courts accepted an argument that the conflict between state and federal policy came not from disagreement over Burma policy, but from the failure of Massachusetts to comply with the WTO agreement.

The C*rosby* case and the machinations in the WTO that surrounded it should be a wake up call to those in the "living wage" campaign, those who support preferences for minority contractors, and those who support environmental purchasing preferences. Supporters of "buy local" and buy America" preferences also should be alarmed.

7. Pennsylvania: What are the implicatio ns of WTO negotiations on domestic regulation of service industries? World Trade Organizati on (WTO) negotiations on domestic regulation disciplines under the General Agreement on Trade in Services (GATS) have reached a critical stage. In January of 2008, the chairman of the

WTO's Working Party on Domestic Regulation released a fourth draft of proposed "disciplines." If adopted, these disciplines would apply to sectors in which the United States has made commitments under the General Agreement on Trade in Services (GATS). Unlike most trade agreements, GATS covers investment as a type of trade, which means that GATS covers purely domestic regulations simply because foreign companies own subsidiaries in a given market.

The proposed disciplines would apply to state regulations that neither discriminate nor limit market access. They would cover regulations in over 90 service sectors where the United States has trade commitments, many of which are regulated by states or operated by local governments – e.g., utilities, telecommunications, coastal and commercial development, professions, financial services, distribution services, health facilities, storage and transportation of fuels, and higher education.

Although many of the proposed GATS disciplines could be described as 'best practices' with respect to disclosure and use of standards, the proposed disciplines impose the use of a single national standard—striking directly at the heart of state and municipal regulatory powers and administrative authority. The WTO – GATS proposes a 'top-down' model, one that neither Congress nor state legislatures have imposed on regulatory agencies, primarily owing to the complexity of regulating service industries. If proposed as a bill in Congress, the GATS proposals would be controversial. Yet very few state or local officials are aware that these disciplines are being negotiated.

8. Tennessee: **What is the potential impact of the WTO services agreement on state higher education policy?** Tennessee is known for the quality and diversity of its institutions of higher education: great public universities like Tennessee and Memphis; public community colleges like Dyersburg State and Chattanooga State Technical College; and private institutions like Vanderbilt, Fisk, and Sewanee. Higher Education in Tennessee is not, however, isolated from the pressures and opportunities of economic globalization.

International trade in higher education services is a big business for the United States and for Tennessee. Foreign students studying at Tennessee colleges and universities bring in substantial income to the state, not only in tuition and fees but also from their spending for housing, consumer goods and services. Almost every college and

university recruits foreign students for general enrollment, for special degree programs such as Vanderbilt Law School's LL.M (master of laws) degree program for foreign lawyers, for exchange programs such as the University of Tennessee Institute of Agriculture's exchange programs with universities in Thailand, Mexico, and Jamaica, and similar ventures.

Higher education services also can be outsourced thanks to advances in internet and information technology and new techniques in remote learning. For-profit institutions of higher education, such as the University of Phoenix, and Australian and U.K. institutions with their 'open university" traditions are aggressively marketing higher education services employing on-line and computer automated remote learning techniques. If back-office accounting and call-center services can with the help of information technology be outsourced to India, then why should not computer-automated and on-line foreign language classes or even masters programs in international business administration be substantially outsourced to the United States, the U.K, Singapore, China or Australia?

According to the American Council on Education:

> Trade in higher education services has grown over the last few years into a global market estimated at $30 billion in 1999. The United States earned an estimated $8.5 billion from this trade in 1997, making it the country's fifth largest service export. The United States is by far the largest provider of education services, followed by the United Kingdom and Australia. In 2000, the United States proposed to add higher education services to the negotiations with other GATS members.
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> It should come as no surprise, then, that coverage of international trade in higher education services under the General Agreement on Trade in Services (GATS) is being actively considered by the World Trade Organization in Geneva. What might be surprising is that the United States made an offer for international regulation of higher education services under the GATS.
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> These WTO negotiations and the U.S. offer to cover higher education have proved controversial, as they raise fundamental questions about the character, purpose, and value of higher education. The most fundamental questions relate to

the extent that colleges and universities are devoted to commercial values and the economic interests of all involved and how much weight cultural and purely academic values and interests ought to be given? And, a host of questions are also raised related to how much authority over the governance and regulation of higher education, which in the U.S. are largely a state responsibility, should appropriately be ceded to the World Trade Organization.

Specifically, associations of U.S. colleges and universities object strongly to the current U.S. negotiating offer to cover higher education services under the WTO General Agreement on Trade in Services (GATS).